FAS REPORT

United States
Department of
Agriculture
Foreign
Agricultural
Service
Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE WR 9-82

WASHINGTON, March 3--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following recent developments in world agriculture and trade:

GRAIN AND FEED

The CANADIAN Wheat Board (CWB) recently announced its new delivery quota policy, intended to provide incentive to producers to reduce summer fallow area and plant more area to the six quota grains (wheat, oats, barley, rye, flaxseed, and rapeseed). The CWB estimates this new policy will increase total base acres in Western Canada by about 4.6 million acres, 5 percent above the present level. Planting decisions this spring may be affected; however, it will most likely have a larger impact on production over the next few years as producers become more familiar with the policy changes.

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The estimate of SOUTH AFRICA's corn exports, forecast this year at a record 4.8 million tons, will not be affected by the drought in key corn producing areas. Although actual production could be one-third below last season's record 14.2 million-ton crop, the reduced crop will result in a drawdown of record high carryover stocks of 4 million tons rather than a lowering of export volumes. South African grain export facilities limit export flows to about 450,000 tons per month. Above average production, therefore, is unable to move into export markets.

OILSEEDS AND PRODUCTS

SOUTH AFRICA's 1982 sunflowerseed crop could be one-fourth below the 517,000 tons produced in 1981, according to the U.S. agricultural attache in Pretoria. Poor weather conditions and wet soils last fall delayed planting of sunflowers and peanuts. South Africa reports the area seeded to the 1982 sunflower crop totaled 261,000 hectares, sharply below the 320,000 hectares planted a year earlier. Farmers' continued concern about sclerotinia wilt in eastern areas likely contributed to the smaller-than-anticipated sown area. In recent weeks, large areas have been dry, with only scattered rainfall.

The attache also reports that crop prospects for peanuts are poor, with the 1982 output forecast at 200,000 tons (in-shell), about one-third below the 1981 crop. Peanut plantings also are down because the late rains shortened the planting season, which has an effective cutoff date of Nov. 15. The area planted is estimated at 203,000 hectares, down nearly 17 percent from a year ago.

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DAIRY, LIVESTOCK AND POULTRY

SINGAPORE's poultry imports are expected to continue rising as limited agricultural land is converted to housing uses and domestic costs of production increase. Poultry production fell an estimated 2 percent in 1981, while consumption of poultry meat grew about 5 percent. Imports filled the increasing gap between production and consumption by increasing 28 percent.

Although consumer preferences in Singapore are for fresh poultry meat, imported frozen poultry products are selling well because of a price advantage. During the first 9 months of 1981, Singapore imported 83 percent (15,762 tons) of its frozen chicken meat from the United States. Although imports also are made from the Netherlands, Denmark, and the United Kingdom, the United States is expected to maintain its market share because of reliable supplies, competitive prices, and good quality.

Increased demand for poultry by the tourist trade, ship chandlers and airline caterers and the growth in the reexport of frozen poultry parts to neighboring Southeast Asian markets are also expected to encourage higher poultry imports by Singapore in the future.

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The AUSTRALIAN Meat and Livestock Corporation (AMLC) will seek authority to act as a sole trader of Australian meat export contracts in specific markets. In recent months, Australian exporters reportedly have been undercutting each other in foreign meat tenders. The AMLC's announcement has provoked widespread debate in Australia, with cattlemen and farm organizations generally in favor of it, and processors and exporters opposed.

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The WORLD cattle situation remained generally depressed during 1981 as a result of weakened world economic conditions and high total meat levels in many major producing countries. Herd recovery slowed in the United States but beef and veal production continued to grow during 1981 and should remain relatively stable in 1982. Because of reduced demand for beef in the export market, 1981 was the second consecutive bad year for the Australian beef industry; however, reduced slaughter and relief from the drought is expected to result in some inventory growth in 1982. Dry weather and depressed prices in Argentina caused some liquidation of herds during 1981. Some herd rebuilding could keep 1982 beef and veal production below the previous year's level. Cattle inventories in the European Community continued to fall during 1981, but at a slower rate than in 1980. Cattle numbers and beef production in selected countries are shown below.

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Sugar Import Notice
9-82

STATUS OF U.S. SUGAR IMPORT QUOTAS

Washington, July ~~20~~ 21 -- The Foreign Agricultural Service of the U.S. Department of Agriculture today reported that preliminary U.S. Customs Service data show sugar imports under quota for the week ending July 16 totaled 32,219 short tons.

Cumulative imports under quota for the July 1-September 30 quota period total 223,812 short tons. The quota for the third quarter of calendar year 1982 was established at 420,000 tons.

U.S. Customs preliminary data on a country-by-country basis follows:

Country	Weekly total Week ending July 16	Cumulative July 1-July 16	Quota Allocation July 1-Sept. 30
	(Short tons, raw value)		
Argentina	3,435	3,435 1/	18,060
Australia	---	---	34,860
Belize	77	3,662	4,620
Brazil	---	16,926	60,900
Canada	307	669	4,620
Colombia	---	10,080	10,080
Costa Rica	---	3,263	6,300
Dominican Rep.	---	73,920	73,920
Ecuador	---	---	4,620
El Salvador	---	362	10,920
Guatemala	---	556	20,160
Guyana	---	177	5,040
Honduras	---	4,200	4,200
Jamaica	---	---	4,620
Mauritius	---	---	4,620
Mozambique	---	---	5,460
Nicaragua	---	8,578	8,820
Panama	---	10,535	12,180
Peru	---	---	17,220
Philippines	28,400	55,949	56,700
South Africa Rep.	---	---	9,660
Swaziland	---	6,720	6,720
Taiwan	---	---	5,040
Thailand	---	---	5,880
Others	---	24,780 2/	24,780

1/ 355 tons registered for the week ending July 2 were cancelled. 2/ Filling the "others" category were Barbados 1,030 tons, Bolivia 8,347 and Fiji 15,403.

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CCC GUARANTEES TO PORTUGAL INCREASED

WASHINGTON, Aug. 13 -- The Commodity Credit Corporation (CCC) today approved a $75 million increase in guarantees to U.S. exporters for sales of U.S. agricultural commodities to Portugal under the Export Credit Guarantee Program (GSM-102), according to Melvin Sims, general sales manager for the U.S. Department of Agriculture's Foreign Agricultural Service. CCC will provide up to three-year coverage under the line to Portugal.

Sims said the $75 million increase is in addition to the $350 million in guarantees that was announced earlier for Portugal. CCC will earmark the entire $75 million in new guarantees for feed grain sales (barley, corn, sorghum, and oats).

The guarantee line to Portugal now totals $425 million and authorizes $240 million for feed grains, $125 million for oilseeds, and $60 million for wheat.

To be eligible for guarantees, U.S. exporters must submit an application along with a guarantee fee to CCC before export is completed. All shipments must be completed by Sept. 30, 1982. The guarantor is Caixa Geral Depositos Credito e Prevedencia and/or other eligible banks.

The guarantee rates include a charge to provide for a per annum interest rate coverage of up to 8 percent on the guaranteed value. Exporters may apply for a guaranteed value up to a maximum of 98 percent of the port value.

Based on semiannual repayments of principal, plus accrued interest, the fee is 15.6 cents per $100 for six months; 23.4 cents per $100 for one year; 39.3 cents per $100 for two years; and 56.5 cents per $100 for three years.

Based on equal annual repayments of principal, plus accrued interest, the fee rate is 32.9 cents per $100 for one year; 50.1 cents per $100 for two years; and 69.2 cents per $100 for three years.

For further information, call Lorraine Potts (202) 447-3224.

PR 126-82

Country	January 1 Inventory		Beef and Veal Production	
	1981 1/	1982 1/	1981 1/	1982 2/
	Mil. head	Mil. head	1,000 MT	1,000 MT
United States	114.3	115.7	10,344	10,262
EC-10	78.4	78.2	6,884	6,864
USSR	115.1	115.7	6,700	6,650
Argentina	58.7	57.5	3,000	2,810
Australia	25.2	24.7	1,411	1,369
New Zealand	8.3	8.4	490	480
World Total 3/	941.8	944.4	40,816	40,526

1/ Preliminary. 2/ Forecast. 3/ Fifty-three selected countries.

Generally, producer prices for pork were low during much of 1981, leading to a reduction in WORLD inventory levels at the beginning of 1982. In recent weeks, returns to pork producers have improved in several major producing regions; however, this improvement has probably come too late to affect 1982 pork production significantly. Following 1981 production inventory cutbacks, U.S. pork production during 1982 is expected to be down about 10 percent. Pork production in the European Community during 1982 is expected to be up only slightly following poor returns to producers during 1981. Continued depressed hog:feed price ratios in Japan could indicate further delays in production expansion during most of 1982. Feed grain shortages in the Soviet Union again reduced hog inventories slightly in 1981 and will likely keep 1982 production at the previous year's level. Hog numbers and pork production in selected countries are shown below.

Country	January 1 Inventory		Pork Production	
	1981 1/	1982 1/	1981 1/	1982 2/
	Mil. head	Mil. head	1,000 MT	1,000 MT
EC-10	78.0	78.1	9,508	9,564
United States	64.5	58.7	7,210	6,450
USSR	73.4	73.2	5,200	5,200
Japan	10.1	10.4	1,396	1,415
Spain	11.3	11.0	1,050	1,000
Canada	9.6	9.4	865	845
World Total 3/	426.3	422.9	37,176	36,514

1/ Preliminary. 2/ Forecast. 3/ Fifty-one selected countries.

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WORLD sheep numbers expanded slightly during 1981 to 727 million head. Sheep and goat meat production declined slightly in 1981, but is expected to be up about 2 percent during 1982, due largely to higher production projected for the Soviet Union. In the European Community, sheep numbers increased 4 percent to 58.5 million head, while 1982 production is expected to expand 3 percent to 720,000 tons. Australian 1982 beginning inventories expanded slightly to 134 million head, with meat production in 1982 projected at 530,000 tons after falling last year. New Zealand's inventories rose to 72 million head during 1981, with meat production expected to fall 2 percent to 600,000 tons in 1982 primarily due to lower slaughter weights.

Current combined prospects for beef, pork, sheep, and goat meat indicate a slight decline of 1 percent in red meat production to 81.6 million tons during 1982, primarily the result of the projected drop in U.S. pork production. (Further information can be obtained from the Foreign Production Estimates Division (202) 382-8888.)

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WORLD production of both poultry meat and eggs is forecast to increase about 1 percent in 1982, compared with 6 and 2 percent, respectively, during the previous year. Most of the expansion in poultry meat is expected to come from a 2-percent increase in broiler production, which has slowed considerably from the 6 percent increase of 1981.

U.S. egg production during 1982 is expected to drop by 1 percent. Brazil's broiler production is expected to continue to expand in 1982 with strong export demand continuing to be the primary production stimulant. Production of poultry meat in the European Community is forecast to increase 4 percent in 1982, also primarily due to good export demand for French broilers. Both Brazilian and EC production is supported by export subsidies.

Japan's broiler production in 1982 is expected to recover from its 1981 drop as producers are encouraged by lower feed prices. Production adjustment programs should limit 1982 Japanese egg output to year-earlier levels. The Soviet Union has expanded poultry meat and egg output, adjusting to a tight feed supply situation. Further increases are expected in 1982, but the rate of growth is likely to slow from that of 1981. Poultry meat and egg production is shown below. (For further information, contact the Foreign Production Estimates Division (202) 382-8888.)

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Country	Total poultry 1981 1/	Total poultry 1982 2/	Broiler 1981 1/	Broiler 1982 2/	Eggs 1981 1/	Eggs 1982 2/
	1,000 tons				Mil. pieces	
United States	6,992	7,008	5,445	5,539	69,624	68,940
EC-10	4,158	4,329	2,851	2,985	70,200	71,070
USSR	2,300	2,450	750	800	70,900	73,200
Brazil	1,485	1,585	1,400	1,500	9,600	10,000
Japan	1,131	1,160	1,000	1,030	33,150	33,150
Spain	885	900	815	830	11,670	11,700
World total3/	21,980	22,274	15,656	15,907	351,681	355,096

1/ Preliminary. 2/ February 1982 estimate. 3/ Forty selected countries.

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The future of CZECHOSLOVAKIA's livestock industry is not bright and will be able to develop only as domestic grain production increases, according to a recent statement by the country's Minister of Agriculture. As a result of the shortfall in grain output for 1981, some 1.6 million tons less will be available for feeding this season, and the country's swine herd will be reduced by 400,000 head. More emphasis will be put on cattle, which require less feed concentrates than hogs.

COTTON AND TOBACCO

INDONESIA has received authorization for a $15-million line of Commodity Credit Corporation (CCC) credit guarantees for cotton, the first CCC credit request by Indonesia since fiscal year 1977. Shortly after concluding the credit arrangement and apparently spurred by the credit guarantees, Indonesia purchased 46,500 running bales of U.S. cotton. The U.S. market share of cotton trade to Indonesia should reach about 78 percent in marketing year 1981/82, compared with 58 percent the previous year.

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In TURKEY, the Aegean growers' market for the 1981 tobacco crop opened Feb. 17 by the Monopoly. The support price for quality leaves has been increased to $1.86 per kilogram, compared with $1.20 per kilogram last season. Last year, the government decided to pay an additional 15 percent to farmers who delivered their crop to the Monopoly, an increase of 30 percent.

Some producers, who were expecting a price of about $2.21 per kilogram were not pleased with this official price. However, private merchants that booked about 70-75 percent of the Aegean crop long before the official opening of the market at prices up to $1.63 per kilogram above the Monopoly's prices are pleased. Although merchants offered up to $1.63 per kilogram more than the Monopoly's top price, their overall average should not be more than $2.33 per kilogram.

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HORTICULTURAL AND TROPICAL PRODUCTS

U.S. raw sugar imports jumped to 827,602 tons in December, the largest monthly total on record. As a result, calendar 1981 imports (from more than 34 countries) totaled 4.6 million tons, valued at $2.14 billion. Principal suppliers were Brazil, 970,000 tons; Australia, 799,000 tons; the Dominican Republic, 678,000 tons; and Argentina, 404,000 tons. Refined sugar imports totaled 4,416 tons, valued at $2.5 million.

Meanwhile, U.S. exports of refined sugar rose to 860,244 tons, valued at $494 million, in calendar 1981. Of the more than 72 destinations for U.S. refined sugar, Mexico was the largest (270,199 tons). Raw sugar exports totaled 28,047 tons, valued at $11.4 million.

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The INTERNATIONAL COFFEE COUNCIL'S 15-day moving average of the Composite Indicator Price for coffee exceeded $1.35 per pound on Feb. 24. As a result, the global annual quota of 56.0 million bags (60 kg. each) will be increased by 0.7 million bags in accordance with the Council's September 1981 decision regarding coffee export quotas for 1981/82 (October-September). The additional 672,181 bags will be released pro rata to members entitled to a basic quota in equal parts between the current quarter and the remaining two quarters of the coffee year. The increase is not considered large enough to affect the tight supply situation in the United States significantly.

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Many COFFEE-PRODUCING COUNTRIES were forced to reduce or eliminate export duties on coffee during 1981 as prices in the international market declined. However, recent price increases caused by the International Coffee Organization's export quota system have permitted the re-imposition or increase in such duties. INDIA recently raised the export duty from $94.40 per ton to $333.30 per ton.

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COLOMBIA's coffee exports during the first quarter of the current marketing year (Oct. 1-Dec. 31, 1981,) amounted to 2.2 million bags, 3.5 percent higher than during the same period a year earlier. European markets for Colombian coffee grew in importance from 63.7 percent of the total in 1980 to 75.7 percent in 1981. The U.S. share declined from 33 percent in 1980 to 16.3 percent in 1981.

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On a calendar year basis, Colombia's coffee exports officially amounted to 9.1 million bags, 18.4 percent below 1980. West Germany was the major market with 35.6 percent of total exports, compared with only 18.7 percent for the United States.

Most of Colombia's coffee sales are in the green form; however, the Coffee Growers' Federation is expanding the output of its freeze-dry plant at Chinchina from 2,000 to 4,000 tons per year, and much of this increase will be exported.

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A conference among 18 tea-producing countries sponsored by the UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD) ended Feb. 12 with participants agreeing to the need for a system of export restrictions to regulate world trade. However, they failed to agree on how a global tea export quota should be distributed under any new international tea agreement. Kenya and China were reluctant to accept the restrictions that would be placed on their highly competitive sales drives by traditional exporters, such as India and Sri Lanka.

Although the question of quotas was not resolved, producers did agree to abandon the idea--opposed by consumers--that quotas be backed up by buffer stocks and floor prices. In an effort to resolve their differences, producers could meet again before the UNCTAD-sponsored producer/consumer tea conference scheduled in May in Geneva.

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AUSTRALIA's production of dried vine fruits for the 1982 season is currently forecast at 89,200 tons, 49 percent greater than the rain-damaged 1981 outturn. The Sultana and Lexia raisin crops are progressing extremely well, a reflection of hot, sunny weather. Present estimates place the Sultana pack at 75,000 tons, up from 51,618 tons in 1981. Quality appears to excellent and both berry and bunch sizes are larger than normal. Output of Lexia raisins is projected to reach 7,000 tons, compared with 4,105 tons in 1981. The volume available for drying is expected to surpass the 1981 level due to reduced winery intake. Most of the currant crop has been harvested and is now drying. With yields well above normal, output is expected to total 7,200 tons--the largest outturn since 1972.

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Rotterdam Prices and E.C. Import Levies:

Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam, the Netherlands, compared with a week earlier and a year ago:

Item	March 2, 1982		Change from previous week	A year ago
	$ per m. ton	$ per bu.	¢ per bu.	$ per m. ton
Wheat				
Canadian No. 1 CWRS-13.5%.....	1/	1/	1/	1/
U.S. No. 2 DNS/NS: 14%........	186.00 7/	5.06 7/	+.05	212.50
U.S. No. 2 DHW/HW: 13.5%......	192.50	5.24	-.18	217.00
U.S. No. 2 S.R.W..............	167.00	4.55	+.03	206.00
U.S. No. 3 H.A.D..............	185.00 7/	5.03 7/	-.07 7/	257.00
Canadian No. 1 A: Durum.......	1/ 7/	1/ 7/	1/ 7/	1/
Feed grains:				
U.S. No. 3 Yellow Corn........	124.55	3.16	+.01	164.50
U.S. No. 2 Sorghum 2/.........	145.00	3.68	0	175.00
Feed Barley 3/................	1/	1/	1/	188.50 7/
Soybeans:				
U.S. No. 2 Yellow.............	253.25	6.89	+.14	292.00
Argentine 4/..................	1/ 7/	1/ 7/	1/ 7/	294.00
U.S. 44% Soybean Meal (M.T.)..	232.00	--	0 5/	255.00
EC Import Levies				
Wheat 6/......................	90.00	2.45	+.09	68.65
Barley........................	68.90	1.50	+.08	44.84
Corn..........................	100.10	2.55	+.10	68.80
Sorghum.......................	81.10	2.06	+.08	56.70

1/ Not available.
2/ Optional delivery: Argentine Granifero Sorghum.
3/ Optional delivery: Canadian Feed Barley.
4/ Optional delivery: Brazil Yellow.
5/ Dollars per metric ton.
6/ Durum has a special levy.
7/ April/May delivery

Note: Basis March/April delivery.